

Colorado Chautauqua Association Financial Planning and Asset Management Policy

Purpose and Scope: This policy provides guidance from the Board of Directors of the Colorado Chautauqua Association (CCA) to CCA's Executive Director relating to budgeting, financial planning, and asset management and protection. The policy also sets certain limits on the Executive Director's authority. This policy is meant to complement any related staff policies and the separate Investment Management Policy.

Financial Planning and Budgeting: The Executive Director shall ensure that financial planning and execution for each fiscal year substantially complies with the Board's strategic objectives and approved annual budgets and priorities, avoids risk of fiscal jeopardy, and is based on a multi-year plan. Budgeting shall be based on realistic projections of revenues and expenses, with separation of capital and operational items, cash flow projections, and disclosure and agreement of planning assumptions and alternative scenarios, when appropriate. Budgets shall contain appropriate allocations for timely payment of any outstanding debt.

Capital Improvement Plan (CIP): In addition to the annual capital budget, the Executive Director shall periodically present to the Board for approval, and shall thereafter implement, a multi-year plan for repair and maintenance, capital additions, and capital replacement of CCA's assets. Such CIP shall be based upon anticipated needs to prioritize, sequence, and financially manage substantial expenditures. Industry standards shall be used in determining routine and preventive maintenance schedules, the useful life of assets, and best practices in cultural resources management.

Risk Management and Insurance: The Executive Director shall ensure that CCA's assets are protected and adequately maintained and shall avoid unnecessary risk. Accordingly:

1. The Executive Director shall develop and implement a risk management program to appropriately minimize damage, loss, or injury to tangible and intangible assets; to mitigate business interruption; and to reduce exposure of CCA, its Board, or its staff to claims of liability.
2. The Executive Director shall procure insurance against (a) loss of income and loss, damage or theft of assets; and (b) claims for liability of, and errors and omissions by, Board members, staff, and CCA, all in such amounts and under such terms as determined by the Finance Committee. The Finance Committee shall review such insurance coverage periodically to confirm adequacy and appropriateness and the committee shall obtain the approval of the Board prior to implementing any material changes.

Board Approval: Without the express prior approval of the Board, the Executive Director shall not:

- encumber assets, borrow funds, or access any revolving line of credit, except for regular use of credit cards for incidental expenses, consistent with past practice; or
- use any Board-designated restricted funds, investments, or endowment, except for their designated purposes; or
- make single or related purchases in amounts more than \$25,000 without obtaining competitive prices; or
- purchase or sell real estate; or
- enter into leases or other material agreements of duration longer than one year.

Authority and Administration: This policy was approved by the CCA Board of Directors as of the date last written below; further amendment shall require approval of the Board. The Board's Finance Committee is responsible for periodically reviewing this policy and recommending changes to the Board, as appropriate. This policy is to be posted on CCA's website or otherwise made available to the public.

Approval:

Original versions of the Financial Planning and Management Policy and the Asset Management and Protection Policy approved August 2009

Amended December 16, 2013

Further amended April 27, 2015, including merger herein of the Financial Planning and Management Policy and the Asset Management and Protection Policy, which were thereby abolished